

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR THE
PURPOSE OF CONSIDERING:

CASE NO. 424
ORDER NO. R-232

THE APPLICATION OF AMERADA
PETROLEUM CORPORATION FOR AN
ORDER GRANTING AN EXCEPTION TO
RULE 404 OF THE OIL CONSERVATION
COMMISSION'S RULES AND REGULATIONS
RELATING TO THE PRODUCTION OF GAS
FROM ITS STATE "MA", WELL NO. 1,
MOORE-DEVONIAN POOL, LEA COUNTY,
NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m., November 20, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission".

NOW, on this ²⁴12 day of December, 1952, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That applicant's State "MA", Well No. 1, SW/4 SW/4, Section 24, Township 11 South, Range 32 East, NMPM, Lea County, New Mexico, was completed as an oil well producing from the Devonian formation and,

That under the provisions of Commission Order No. R-182, Amerada Petroleum Corporation was granted authorization to dually complete and produce the well as an oil-gas dual completion, the oil being produced from the Devonian formation and the gas from the Wolfcamp formation.
- (3) That the gas produced from the Wolfcamp formation by the State "MA", Well No. 1, is to be used to gas-lift the fluid produced by the Amerada Petroleum Corporation's No. 1 Lee, NE/4 SE/4, Section 23, Township 11 South, Range 32 East, NMPM, Lea County, New Mexico, and that after the gas-lift gas returns to the surface it is to be flared, there being no available market for the gas.
- (4) That the Amerada Petroleum Corporation's State "MA" Well No. 1 is offset by The Texas Company, J. H. Moore, Well No. 1, NW/4 NW/4, Section 25, Township 11 South, Range 32 East, NMPM, Lea County, New Mexico.

(5) That during the drilling of The Texas Company, J. H. Moore Well No. 1, a drill-stem test of the Wolfcamp formation revealed that that zone is productive of gas at approximately the same depth as the gas zone in the Wolfcamp formation which is productive in the State "MA" Well No. 1.

(6) That there is no available market for the gas in the area and that if this application were granted The Texas Company could not protect its offset acreage from drainage.

IT IS THEREFORE ORDERED:

That the application of the Amerada Petroleum Corporation be, and it hereby is, denied.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION



Edwin L. Mechem, Chairman



Guy Shepard, Member



R. R. Spurrier, Secretary